



Los Angeles County  
Board of Supervisors

June 1, 2006

Gloria Molina  
First District

Yvonne B. Burke  
Second District

Zev Yaroslavsky  
Third District

Don Knabe  
Fourth District

Michael D. Antonovich  
Fifth District

Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROPRIATION ADJUSTMENT TO THE DEPARTMENT OF HEALTH  
SERVICES' FISCAL YEAR 2005-06 BUDGET**  
(First District) (3 Votes)

Bruce A. Chernof, MD  
Director and Chief Medical Officer

John R. Cochran III  
Chief Deputy Director

William Loos, MD  
Acting Senior Medical Officer

IT IS RECOMMENDED THAT YOUR BOARD:

Approve an appropriation adjustment to the Department of Health Services' Fiscal Year (FY) 2005-06 Final Budget to reflect refinements in estimated expenditures for pharmaceuticals purchased by the LAC+USC Healthcare Network on behalf of facilities participating in the centralized pharmacy program.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

313 N. Figueroa Street, Suite 912  
Los Angeles, CA 90012

Tel: (213) 240-8101  
Fax: (213) 481-0503

In approving the recommended action, the Board is increasing the Services and Supplies (S&S) appropriation, offset by a increase in Expenditure Distribution, to adjust LAC+USC Healthcare Network's funding levels in accordance with increased expenditures for pharmaceutical purchases. The projected increase in pharmaceutical expenses is attributable to increased utilization and higher than anticipated costs for drugs.

*To improve health  
through leadership,  
service and education*

The \$3,708,000 increase in LAC+USC Healthcare Network's S&S is offset by a \$3,708,000 increase in Expenditure Distribution to facilities participating in the centralized pharmacy program. The participating facilities are funding the increases from within existing resources. The increases are necessary to allow LAC+USC Healthcare Network to encumber funds for pharmaceutical purchases on behalf of facilities participating in the centralized pharmacy program, and to distribute the expense to those facilities, including their respective Comprehensive Health Centers and Health Centers, as follows:

|                                  |                    |
|----------------------------------|--------------------|
| Harbor / UCLA Medical Center     | \$700,000          |
| MLK/Drew Medical Center          | 492,000            |
| Olive View / UCLA Medical Center | 1,445,000          |
| High Desert Health System        | 920,000            |
| Juvenile Court Health Services   | 151,000            |
| Total                            | <u>\$3,708,000</u> |



www.ladhs.org

FISCAL IMPACT/FINANCING:

The attached appropriation adjustment increases LAC+USC Healthcare Network FY 2005-06 S&S appropriation by \$3,708,000 offset by a \$3,708,000 increase in Expenditure Distribution. The participating centralized pharmacy facilities are funding the increases from within existing resources. The appropriation adjustment does not increase County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Not applicable.

CONTRACTING PROCESS:

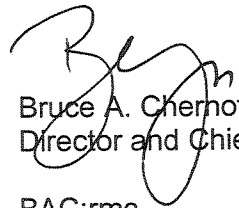
Not applicable.

IMPACT ON CURRENT PROGRAM SERVICES (OR PROJECTS):

Not applicable.

When approved, this Department requires three copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.  
Director and Chief Medical Officer

BAC:rmc  
(M:\WORD\Budget\05-06\LAC-USC-CentPharm-BA2.DOC

Attachment

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors  
Auditor-Controller

## COUNTY OF LOS ANGELES

## REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. No. \_\_\_\_\_

DEPARTMENT OF Health ServicesDATE 05/24/2006

## AUDITOR CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

## ADJUSTMENT REQUESTED AND REASONS THEREFOR

Fiscal Year 2005-06  
3-VOTE


Please see attached for details.

## JUSTIFICATION:

This budget adjustment is necessary to align LAC+USC Healthcare Network funding levels to reflect refinements in estimated expenditures for pharmaceuticals purchased by the LAC+USC Healthcare Network on behalf of facilities participating in the centralized pharmacy program. This budget adjustment does not affect net County cost.

EM:js  
05/24/06

## CHIEF ADMINISTRATIVE OFFICER'S REPORT

  
Efrain Muñoz, Chief  
DHS-Controller's Division

REFERRED TO THE CHIEF  
ADMINISTRATIVE OFFICER  
FOR:

☐ ACTION  
☒ RECOMMENDATION

APPROVED AS REQUESTED ☒ AS REVISED ☐

May 30, 2006

  
DAVID E. JANSSEN  
CHIEF ADMINISTRATIVE OFFICER

APPROVED (AS REVISED):  
BOARD OF SUPERVISORS

AUDITOR-CONTROLLER No.

BY:

3795-30-06

BY:

DEPUTY COUNTY CLERK

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

DEPT OF HEALTH SERVICES  
BUDGET ADJUSTMENT  
FY 2005-06

Dept No. 160

(3-VOTE)  
FY 05-06

**Sources:**

LAC+USC Healthcare Network  
Expenditure Distribution  
MN4-HG-60010-5350 \$3,708,000


**Uses:**

LAC+USC Healthcare Network  
Services & Supplies  
MN4-HG-60010-2000 \$3,708,000

**Justification:**

This budget adjustment is necessary to align LAC+USC Healthcare Network funding levels to reflect refinements in estimated expenditures for pharmaceuticals purchased by the LAC+USC Healthcare Network on behalf of facilities participating in the centralized pharmacy program.

EM:js  
5/24/06

  
\_\_\_\_\_  
Efraim Munoz, Chief  
DHS-Controller's Division

BA #379

5-30-06

*Hee Jung*